NOES—22.

1. Mr. P. Habeeb Mahomed	12. Mr. P. K. Narayana Pillai
2. ,, A. J. John	13. ,, K. P. Nilakanta Pillai
3. ,, K. I. Joseph	14. ,, M. N. Pillai
4. ,, C. Kerala Varma Koil Tampuran	15. ,, R. Padmanabhan
5. ,, C. P. Kochukunju Pillai	16. ,, G. Paramesvaran Pillai
6. ,, A. K. Pillai	17 ,, Changanachery K. Paramesvaran Pillai
7. ,, N. Kumaran	18. ,, G. Raman Menon
8. ,, T. Kumara Pillai	19. ,, K. Sivarama Panikkar
9. ,, Tariatu Kunjitomman	20. ,, M. Sivatanu Pillai
10. ,, K. Madhavan Pillai	21. ,, C. P. Tarakan
11. ,, Kallur Narayana Pillai	22. ,, K. K. Thomas

The motion was declared lost.

Demand XXII—Miscellaneous.

DR. N. KUNJAN PILLAI (*Director of Agriculture and Fisheries*): Sir, I move for a grant not exceeding Rs. 26,133 under Demand XXII—Miscellaneous, to meet the further expenditure on account of the British Empire Exhibition. This additional demand consists of three or four different items. The major portion of it is expenditure already incurred out of the receipts collected from the sale of exhibits, and this amounts to a total of Rs. 24,045. The next item is about Rs. 2,000 to pay the port dues in Cochin, forwarding charges and other expenses on account of the exhibits that have come back. These expenses have yet to be paid to Messrs. Pierce Leslie and Co., Ltd. Then there is a small item of Rs. 89, chs. 4 to pay the pending travelling allowance bills of the non-official members of the Exhibition Committee, and there is still another item of about Rs. 43, chs. 3 and cash 11 for the customs duty paid on a complete set of slides of the Exhibition purchased in London. Thus, Sir, you will see that, of these four items, the most important is the first amounting to something like Rs. 24,045. I may point out, for the information of the House, that, when I went to Wembley, Government placed at my disposal a certain sum of money, but I found that insufficient to meet the expenditure; and with the sanction of Government, I utilised, for the expenditure, a portion of the receipts I collected by the sale of exhibits. The additional grant that is now demanded is required only for the adjustment of accounts. The expenditure has already been incurred out of the receipts.

MR. G. PARAMESVARAN PILLAI (*Neyyattinkara*): May I know from Dr. Kunjan Pillai the total amount that was sanctioned by the Council towards the expenditure on account of the Exhibition?

DR. N. KUNJAN PILLAI (*Director of Agriculture and Fisheries*): I am sorry I have not got the figures with me now. If I remember correctly, the original budget provision for 1099 was Rs. 50,000; subsequently, when I was at Wembley, I believe a supplementary grant of about Rs. 31,000 was also sanctioned. I can give you correct figures for the actual expenditure which I incurred at Wembley in connection with the Exhibition.

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[Dr. N. Kunjan Pillai.]

The amount now asked for, as I said, is required only for the adjustment of accounts. If this additional grant is sanctioned, something like Rs. 30,000 which I collected by the sale of exhibits will appear as revenue on the credit side. The additional grant demanded is, therefore, more than covered by the receipts collected.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): May I know from Dr. Kunjan Pillai whether he has submitted the entire accounts in connection with the British Empire Exhibition?

DR. N. KUNJAN PILLAI (*Director of Agriculture and Fisheries*): Yes, Sir, I have. But the accounts are being now audited by the Account officer and, I believe, the auditing is not finished. It will take some time before the auditing is completed; but as far as I am concerned, I have submitted the entire accounts already.

Sir, as this question of accounts has been raised, I think it is well that I explain briefly the financial liabilities of Travancore on account of her participation in this Exhibition, the total expenditure that has been incurred and the receipts collected. As I said, my accounts are only being audited by the Account Officer and the final figures are not yet available. Probably, when they are arrived at, there may be some slight variations. But, for the information of the House, I wish to state my figures, and I believe they are at least approximately correct. Up to the end of 1099, an expenditure of about Rs. 34,833 was incurred in Travancore for the purchase and manufacture of exhibits, for packing and sending them to London and for various other purposes connected with the Exhibition. This amount also includes the deputation allowance paid to me and the acting allowance paid to my substitute in consequence of my deputation to England. At Wembley, the total expenditure, according to my accounts, for various purposes, such as the construction of the court, purchase of show-cases, pay of the staff and my own subsistence allowance amounted to £4,402, approximately. If this is converted into rupees at the exchange that was current at the time when the Exhibition was closed, I believe that was Rs 13 and as. 8 to the pound sterling, the equivalent of £4,402 in Indian or Travancore currency comes to about Rs. 59,427. So, the total expenditure incurred both in Travancore and at Wembley on account of this Exhibition was about Rs. 94,360.

I may point out, Sir, in this connection that the above figure does not include the expenditure incurred on account of the Preliminary Exhibition held in Trivandrum. For that Exhibition we had to spend about Rs. 10,000; but we realised by the sale of tickets and other articles about Rs. 3,000. The net cost of that Exhibition was therefore about Rs. 7,000.

Now, Sir, as against the total expenditure of about Rs. 94,000 on account of the British Empire Exhibition, we got by the sale of exhibits and by letting space to private exhibitors about £2,173 which again, at the exchange rate of Rs. 13 and as. 8 to the pound, comes roughly to Rs. 30,000. So, the net expenditure, if the receipts are taken off from the gross expenditure, comes to about Rs. 64,000; and to this must be added another Rs. 1,000 or so for the amount to be paid to

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Messrs. Pierce Leslie and Co. Of course, we have made a provision of Rs. 2,000 but I do not think that we may require the whole amount. When the estimate of Rs. 2,000 was formed, there was the fear that customs duties would have to be paid on the exhibits returned. The customs duties have now been remitted, and the expenditure to be incurred hereafter may not exceed Rs. 1,000. So the net total expenditure on account of this Exhibition will amount to about Rs. 65,000. I may also inform the House that, when the Travancore Government decided to take part in the Exhibition, they were prepared to spend up to a lakh of rupees. At the first meeting of the Exhibition Committee held in Trivandrum, which was attended by the Dewan and the Exhibition Commissioner for India, it was decided that the expenditure might go up to a lakh of rupees. It was also thought that it might be possible to recover about Rs. 50,000 by the sale of exhibits and by our share in the general profits of the Exhibition. From the figures I have given, you will see that the expenditure was less than the estimated figure, but the expectation about the receipts has not, however, been fully realised, and there are reasons for that. In the first place, the estimate was not based on any definite data. It was only a sort of guess that we might be able to get Rs. 50,000 in the shape of receipts; and there was also the hope of all concerned that, besides the value of the exhibits we might be able to sell, we would also get a share of the general profits of the Exhibition. If you have been carefully following the accounts of the Exhibition, you will have noted that the Central Board of Management had to incur an initial expenditure of about £3,800,000 in laying out the ground, putting up buildings, and making all other arrangements. This is exclusive of the expenditure incurred by the various Dominions and Colonies like Canada, Australia and India. Each of them had to spend, besides the expenditure incurred by the Central Board, about £2,00,000 to £3,00,000; out of £3,800,000 spent by the Central Board they were able to get back only £2,000,000, so that, at the end of last year, the Board was faced with a deficit of £1,800,000. If, as the authorities thought, the attendance was greater—they expected thirty million visitors, but only eighteen millions actually attended—they would have been able to collect more money and thereby make a profit. I believe the idea was to distribute the profit, if any, proportionately among the various participating countries, but as the Board was faced with a deficit, the participating countries had to go without any profit. If we had received a share of the profits as was expected, our receipts would have come up to the expectation of the committee, that is to say about Rs. 50,000. But, as it is, we collected about Rs 30,000 and spent about Rs. 94,000, so that our net expenditure comes to about Rs. 64,000. I may also inform the House that other Indian States such as Mysore, Kashmir and Jaipur, had also taken at the Exhibition about the same space as Travancore had done. I have not got exact figures as to the expenditure incurred by each of these States; but from the conversations I had with the representatives of these States, I was led to believe that their expenditure was in no way less—if it all, it was only more—than our net expenditure of Rs. 64,000. I may

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[Dr. N. Kunjan Pillai.]

also add that Travancore took part in this Exhibition, not for making immediate profits but for advertising her goods and in respect of the expenditure, sale of exhibits and in every other respect, Travancore did not fare worse than the other sections of the Indian Pavilion. I trust therefore, that, in view of these circumstances and specially in consideration of the fact that the additional grant now demanded is more than covered by the receipts collected, the House will see its way to allow this demand.

MR. G. PARAMESVARAN PILLAI (*Neyyattinkara*): It was stated that the net expenditure was only Rs. 64,000. It was also stated that the Government had sanctioned on two occasions Rs. 50,000 *plus* Rs. 31,000. How is it that he asks for another grant of Rs. 26,000 now?

DR. N. KUNJAN PILLAI (*Director of Agriculture and Fisheries*): The gross expenditure stands at Rs. 94,000.

MR. G. PARAMESVARAN PILLAI (*Neyyattinkara*): Yes, we have already sanctioned Rs. 81,000. The gross expenditure stands at Rs. 94,000. But the supplementary grant asked for is Rs. 26,000 and not Rs. 13,000.

DR. N. KUNJAN PILLAI (*Director of Agriculture and Fisheries*): I may inform the House that, when I went to Wembley, Government placed at my disposal £1,000. Subsequently they gave me another £850. So, the total amount at my disposal for expenditure in connection with the exhibition was £1,850. I had the previous sanction of Government to utilise the receipts for all expenses so as to reduce drawings from the bank and accordingly I did so. Out of the sum of £1,850 placed at my disposal, I actually drew only £1,300, and there was a lapse of £550 on that account. The balance of the expenditure was met out of the receipts and it is to cover this expenditure that we are now asking for the supplementary grant.

MR. G. PARAMESVARAN PILLAI (*Neyyattinkara*) Sir, I cannot exactly understand why Dr. Kunjan Pillai has now come forward with a supplementary grant for Rs. 26,000 and odd. The accounts have not been finally audited. From the statement made by Dr. Kunjan Pillai, it is seen that there has been a gross expenditure of over Rs. 94,000. The Council has already granted over Rs. 81,000. So, he will be justified, if at all, in asking for only Rs. 13,000.

DR. N. KUNJAN PILLAI (*Director of Agriculture and Fisheries*): May I point out that the Rs. 10,000 that we spent on the Preliminary Exhibition is not included in this Rs. 94,000 whereas the sum of Rs. 81,000 granted by the Council includes that item also?

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Has not the Director realised Rs. 3,000 out of those Rs. 10,000.

DR. N. KUNJAN PILLAI (*Director of Agriculture and Fisheries*) Yes; that amount has been credited to revenue.

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MR. G. PARAMESVARAN PILLAI (*Neyyattinkara*): Sir, this matter appears to me to require further scrutiny. The Finance Committee has yet to meet and nothing will be lost by withholding this demand for the moment until the matter has been closely examined by the Finance Committee. In fact, I deprecate the policy of Government in incurring expenditure behind the back of the Finance Committee and then going to the Council forthwith without giving opportunities for the Finance Committee to examine the matter closely. In this particular case, since the Council had been dissolved in Makaram, it was not possible to consult the Finance Committee. Nevertheless, it is desirable that, since the year is not closed and the accounts not yet finally audited, the matter stands adjourned, the Director of Agriculture reserving his demand for another occasion. I therefore oppose the grant of this demand at this juncture.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): I support Mr. G. Paramesvaran Pillai.

MR. K. GEORGE (*Financial Secretary to Government*): May I say a word in explanation of the accounts referred to by Mr. G. Paramesvaran Pillai? I believe that every member here has got a copy of the latest *Appropriation Report*. Mr. G. Paramesvaran Pillai mentioned that a sum of Rs. 81,000 was allotted for the Exhibition, including a supplementary grant of Rs. 31,000. If page 10 of the Report is referred to, it will be seen that, under Demand XXII, the total grant allotted was Rs. 1,68,000 including Rs. 31,129 sanctioned as a supplementary grant. But the final expenditure was only Rs. 1,46,171. That means some money out of the allotment lapsed. I believe that must have been under Exhibition charges. I am not, however, sure of the fact.

MR. G. PARAMESVARAN PILLAI (*Neyyattinkara*): Will the Financial Secretary tell us as to what exactly was actually spent and what lapsed?

MR. K. GEORGE (*Financial Secretary to Government*): I cannot say. Looking into the *Appropriation Report*, I find that, out of Rs. 1,68,000 sanctioned under Demand XXII, we have spent only Rs. 1,28,000. The fact is that the accounts of the exhibition came only after the closing of the final accounts of the year 1099 and the items detailed in that account could not be adjusted in the year itself.

I may add also that there is no radical objection to the postponement of this demand. But it will only postpone the settlement of accounts. What Dr. Kunjan Pillai wants is to get about Rs. 26,000 which he has spent out of receipts so that the correct procedure in account-keeping may be followed. There is nothing gained by postponement because the money has already been spent.

MR. G. PARAMESVARAN PILLAI (*Neyyattinkara*): May I know from the Financial Secretary whether this grant, if allowed, will not form an addition to the allotment already granted?

MR. K. GEORGE (*Financial Secretary to Government*): In any case, it has to be granted because it has already been spent out of receipts. There is no use shutting our eyes to that fact. The proper

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[Mr. K. George.]

method of accounting requires that the money spent should be debited and the income credited. Of course, this demand could have been avoided if the net expenditure was charged in the account. But that is not correct and so we have decided to come to this House for the grant.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Is it a fact that the accounts have not been completely audited?

MR. K. GEORGE (*Financial Secretary to Government*): Yes. It will take a little more time.

DR. N. KUNJAN PILLAI (*Director of Agriculture and Fisheries*): I think nothing will be gained by postponing this demand. We have spent this money out of the receipts and we want the additional grant simply to adjust the accounts. Of course, the figures I have given under total expenditure represent the expenditure actually incurred. The total expenditure, including the additional grant that the House is asked to sanction, stands at Rs. 94,000 only. Out of last year's budget grant, some money must have lapsed. It is not possible to adjust accounts unless this additional grant is sanctioned. So, I would request the House to sanction it now without postponing it.

The demand was then put to the vote of the House and carried, 22 voting *for* and 15 *against*.

The grant was made.

ELECTION OF MEMBERS TO THE STANDING FINANCE COMMITTEE.

PRESIDENT: The non-official members will now assemble here under the presidency of the Deputy President for the election of three members from among themselves to the Standing Finance Committee.

The Legislative Council will now adjourn *sine die*.

The Council adjourned at 2-6 P. M.

T. P. RAMASUBBA AIYAR,

Secretary to the Legislative Council.

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